



February 7, 2003

HOUSE BILL No. 1515

DIGEST OF HB 1515 (Updated February 4, 2003 12:35 PM - DI 103)

Citations Affected: IC 25-1; IC 25-20.2; IC 34-30; noncode.

Synopsis: Licensure of home inspectors. Establishes the home inspectors licensing board to regulate home inspectors and associate home inspectors. Establishes requirements for licensed home inspectors and associate home inspectors. Provides that a person who performs home inspections for compensation without a license commits a Class B infraction. Provides that a civil action based upon the professional services of a licensed home inspector must be filed within two years after the date of the act or omission that is the subject of the complaint.

Effective: Upon passage; July 1, 2003.

Welch, Stevenson, Frizzell, Behning

January 16, 2003, read first time and referred to Committee on Commerce and Economic Development.

February 6, 2003, amended, reported — Do Pass; recommitted to Committee on Ways and Means.

C
o
p
y

HB 1515—LS 6634/DI 110+



February 7, 2003

First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1515

A BILL FOR AN ACT to amend the Indiana Code concerning professions and occupations.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 25-1-2-2.1, AS AMENDED BY P.L.162-2002,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2003]: Sec. 2.1. Rather than being issued annually, the
4 following permits, licenses, certificates of registration, or evidences of
5 authority granted by a state agency must be issued for a period of two
6 (2) years or for the period specified in the article under which the
7 permit, license, certificate of registration, or evidence of authority is
8 issued if the period specified in the article is longer than two (2) years:
9 (1) Certified public accountants, public accountants, and
10 accounting practitioners.
11 (2) Architects and landscape architects.
12 (3) Dry cleaners.
13 (4) Professional engineers.
14 (5) Land surveyors.
15 (6) Real estate brokers.
16 (7) Real estate agents.
17 (8) Security dealers' licenses issued by the securities

HB 1515—LS 6634/DI 110+



C
o
p
y

- commissioner.
- (9) Dental hygienists.
- (10) Dentists.
- (11) Veterinarians.
- (12) Physicians.
- (13) Chiropractors.
- (14) Physical therapists.
- (15) Optometrists.
- (16) Pharmacists and assistants, drugstores or pharmacies.
- (17) Motels and mobile home park licenses.
- (18) Nurses.
- (19) Podiatrists.
- (20) Occupational therapists and occupational therapy assistants.
- (21) Respiratory care practitioners.
- (22) Social workers, marriage and family therapists, and mental health counselors.
- (23) Real estate appraiser licenses and certificates issued by the real estate appraiser licensure and certification board.
- (24) Wholesale legend drug distributors.
- (25) Physician assistants.
- (26) Dietitians.
- (27) Hypnotists.
- (28) Athlete agents.
- (29) Manufactured home installers.

(30) Home inspectors and associate home inspectors.

SECTION 2. IC 25-1-2-6, AS AMENDED BY P.L.162-2002, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 6. (a) As used in this section, "license" includes all occupational and professional licenses, registrations, permits, and certificates issued under the Indiana Code, and "licensee" includes all occupational and professional licensees, registrants, permittees, and certificate holders regulated under the Indiana Code.

(b) This section applies to the following entities that regulate occupations or professions under the Indiana Code:

- (1) Indiana board of accountancy.
- (2) Indiana grain buyers and warehouse licensing agency.
- (3) Indiana auctioneer commission.
- (4) Board of registration for architects and landscape architects.
- (5) State board of barber examiners.
- (6) State board of cosmetology examiners.
- (7) Medical licensing board of Indiana.
- (8) Secretary of state.



copy

- 1 (9) State board of dentistry.
- 2 (10) State board of funeral and cemetery service.
- 3 (11) Worker's compensation board of Indiana.
- 4 (12) Indiana state board of health facility administrators.
- 5 (13) Committee of hearing aid dealer examiners.
- 6 (14) Indiana state board of nursing.
- 7 (15) Indiana optometry board.
- 8 (16) Indiana board of pharmacy.
- 9 (17) Indiana plumbing commission.
- 10 (18) Board of podiatric medicine.
- 11 (19) Private detectives licensing board.
- 12 (20) State board of registration for professional engineers.
- 13 (21) Board of environmental health specialists.
- 14 (22) State psychology board.
- 15 (23) Indiana real estate commission.
- 16 (24) Speech-language pathology and audiology board.
- 17 (25) Department of natural resources.
- 18 (26) State boxing commission.
- 19 (27) Board of chiropractic examiners.
- 20 (28) Mining board.
- 21 (29) Indiana board of veterinary medical examiners.
- 22 (30) State department of health.
- 23 (31) Indiana physical therapy committee.
- 24 (32) Respiratory care committee.
- 25 (33) Occupational therapy committee.
- 26 (34) Social worker, marriage and family therapist, and mental
- 27 health counselor board.
- 28 (35) Real estate appraiser licensure and certification board.
- 29 (36) State board of registration for land surveyors.
- 30 (37) Physician assistant committee.
- 31 (38) Indiana dietitians certification board.
- 32 (39) Indiana hypnotist committee.
- 33 (40) Attorney general (only for the regulation of athlete agents).
- 34 (41) Manufactured home installer licensing board.
- 35 (42) **Home inspectors licensing board.**
- 36 (43) Any other occupational or professional agency created after
- 37 June 30, 1981.
- 38 (c) Notwithstanding any other law, the entities included in
- 39 subsection (b) shall send a notice of the upcoming expiration of a
- 40 license to each licensee at least sixty (60) days prior to the expiration
- 41 of the license. The notice must inform the licensee of the need to renew
- 42 and the requirement of payment of the renewal fee. If this notice of

C
o
p
y



expiration is not sent by the entity, the licensee is not subject to a sanction for failure to renew if, once notice is received from the entity, the license is renewed within forty-five (45) days of the receipt of the notice.

SECTION 3. IC 25-1-6-3, AS AMENDED BY P.L.162-2002, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 3. (a) There is established the Indiana professional licensing agency. The licensing agency shall perform all administrative functions, duties, and responsibilities assigned by law or rule to the executive director, secretary, or other statutory administrator of the following:

- (1) Indiana board of accountancy (IC 25-2.1-2-1).
- (2) Board of registration for architects and landscape architects (IC 25-4-1-2).
- (3) Indiana auctioneer commission (IC 25-6.1-2-1).
- (4) State board of barber examiners (IC 25-7-5-1).
- (5) State boxing commission (IC 25-9-1).
- (6) State board of cosmetology examiners (IC 25-8-3-1).
- (7) State board of funeral and cemetery service (IC 25-15-9).
- (8) State board of registration for professional engineers (IC 25-31-1-3).
- (9) Indiana plumbing commission (IC 25-28.5-1-3).
- (10) Indiana real estate commission (IC 25-34.1).
- (11) Real estate appraiser licensure and certification board (IC 25-34.1-8-1).
- (12) Private detectives licensing board (IC 25-30-1-5.1).
- (13) State board of registration for land surveyors (IC 25-21.5-2-1).
- (14) Manufactured home installer licensing board (IC 25-23.7).
- (15) Home inspectors licensing board (IC 25-20.2-3-1).**

(b) Except for appeals of denials of license renewals to the executive director authorized by section 5.5 of this chapter, nothing in this chapter may be construed to give the licensing agency policy making authority, which remains with each board.

SECTION 4. IC 25-1-7-1, AS AMENDED BY P.L.162-2002, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 1. As used in this chapter:

"Board" means the appropriate agency listed in the definition of regulated occupation in this section.

"Director" refers to the director of the division of consumer protection.

"Division" refers to the division of consumer protection, office of



the attorney general.

"Licensee" means a person who is:

- (1) licensed, certified, or registered by a board listed in this section; and
- (2) the subject of a complaint filed with the division.

"Person" means an individual, a partnership, a limited liability company, or a corporation.

"Regulated occupation" means an occupation in which a person is licensed, certified, or registered by one (1) of the following:

- (1) Indiana board of accountancy (IC 25-2.1-2-1).
- (2) Board of registration for architects and landscape architects (IC 25-4-1-2).
- (3) Indiana auctioneer commission (IC 25-6.1-2-1).
- (4) State board of barber examiners (IC 25-7-5-1).
- (5) State boxing commission (IC 25-9-1).
- (6) Board of chiropractic examiners (IC 25-10-1).
- (7) State board of cosmetology examiners (IC 25-8-3-1).
- (8) State board of dentistry (IC 25-14-1).
- (9) State board of funeral and cemetery service (IC 25-15-9).
- (10) State board of registration for professional engineers (IC 25-31-1-3).
- (11) Indiana state board of health facility administrators (IC 25-19-1).
- (12) Medical licensing board of Indiana (IC 25-22.5-2).
- (13) Indiana state board of nursing (IC 25-23-1).
- (14) Indiana optometry board (IC 25-24).
- (15) Indiana board of pharmacy (IC 25-26).
- (16) Indiana plumbing commission (IC 25-28.5-1-3).
- (17) Board of podiatric medicine (IC 25-29-2-1).
- (18) Board of environmental health specialists (IC 25-32-1).
- (19) State psychology board (IC 25-33).
- (20) Speech-language pathology and audiology board (IC 25-35.6-2).
- (21) Indiana real estate commission (IC 25-34.1-2).
- (22) Indiana board of veterinary medical examiners (IC 15-5-1.1).
- (23) Department of natural resources for purposes of licensing water well drillers under IC 25-39-3.
- (24) Respiratory care committee (IC 25-34.5).
- (25) Private detectives licensing board (IC 25-30-1-5.1).
- (26) Occupational therapy committee (IC 25-23.5).
- (27) Social worker, marriage and family therapist, and mental health counselor board (IC 25-23.6).



C
o
p
y

(28) Real estate appraiser licensure and certification board
(IC 25-34.1-8).

(29) State board of registration for land surveyors
(IC 25-21.5-2-1).

(30) Physician assistant committee (IC 25-27.5).

(31) Indiana athletic trainers board (IC 25-5.1-2-1).

(32) Indiana dietitians certification board (IC 25-14.5-2-1).

(33) Indiana hypnotist committee (IC 25-20.5-1-7).

(34) Indiana physical therapy committee (IC 25-27).

(35) Manufactured home installer licensing board (IC 25-23.7).

(36) **Home inspectors licensing board (IC 25-20.2-3-1).**

(37) Any other occupational or professional agency created after
June 30, 1981.

SECTION 5. IC 25-1-8-1, AS AMENDED BY P.L.162-2002,
SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
JULY 1, 2003]: Sec. 1. As used in this chapter, "board" means any of
the following:

(1) Indiana board of accountancy (IC 25-2.1-2-1).

(2) Board of registration for architects and landscape architects
(IC 25-4-1-2).

(3) Indiana auctioneer commission (IC 25-6.1-2-1).

(4) State board of barber examiners (IC 25-7-5-1).

(5) State boxing commission (IC 25-9-1).

(6) Board of chiropractic examiners (IC 25-10-1).

(7) State board of cosmetology examiners (IC 25-8-3-1).

(8) State board of dentistry (IC 25-14-1).

(9) State board of funeral and cemetery service (IC 25-15).

(10) State board of registration for professional engineers
(IC 25-31-1-3).

(11) Indiana state board of health facility administrators
(IC 25-19-1).

(12) Medical licensing board of Indiana (IC 25-22.5-2).

(13) Mining board (IC 22-10-1.5-2).

(14) Indiana state board of nursing (IC 25-23-1).

(15) Indiana optometry board (IC 25-24).

(16) Indiana board of pharmacy (IC 25-26).

(17) Indiana plumbing commission (IC 25-28.5-1-3).

(18) Board of environmental health specialists (IC 25-32-1).

(19) State psychology board (IC 25-33).

(20) Speech-language pathology and audiology board
(IC 25-35.6-2).

(21) Indiana real estate commission (IC 25-34.1-2-1).



- 1 (22) Indiana board of veterinary medical examiners
- 2 (IC 15-5-1.1-3).
- 3 (23) Department of insurance (IC 27-1).
- 4 (24) State police department (IC 10-1-1-1), for purposes of
- 5 certifying polygraph examiners under IC 25-30-2.
- 6 (25) Department of natural resources for purposes of licensing
- 7 water well drillers under IC 25-39-3.
- 8 (26) Private detectives licensing board (IC 25-30-1-5.1).
- 9 (27) Occupational therapy committee (IC 25-23.5-2-1).
- 10 (28) Social worker, marriage and family therapist, and mental
- 11 health counselor board (IC 25-23.6-2-1).
- 12 (29) Real estate appraiser licensure and certification board
- 13 (IC 25-34.1-8).
- 14 (30) State board of registration for land surveyors
- 15 (IC 25-21.5-2-1).
- 16 (31) Physician assistant committee (IC 25-27.5).
- 17 (32) Indiana athletic trainers board (IC 25-5.1-2-1).
- 18 (33) Board of podiatric medicine (IC 25-29-2-1).
- 19 (34) Indiana dietitians certification board (IC 25-14.5-2-1).
- 20 (35) Indiana physical therapy committee (IC 25-27).
- 21 (36) Manufactured home installer licensing board (IC 25-23.7).
- 22 (37) **Home inspectors licensing board (IC 25-20.2-3-1).**
- 23 **(38) Any other occupational or professional agency created after**
- 24 **June 30, 1981.**
- 25 SECTION 6. IC 25-1-11-1, AS AMENDED BY P.L.162-2002,
- 26 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 27 JULY 1, 2003]: Sec. 1. As used in this chapter, "board" means any of
- 28 the following:
- 29 (1) Indiana board of accountancy (IC 25-2.1-2-1).
- 30 (2) Board of registration for architects and landscape architects
- 31 (IC 25-4-1-2).
- 32 (3) Indiana auctioneer commission (IC 25-6.1-2).
- 33 (4) State board of barber examiners (IC 25-7-5-1).
- 34 (5) State boxing commission (IC 25-9-1).
- 35 (6) State board of cosmetology examiners (IC 25-8-3-1).
- 36 (7) State board of registration of land surveyors (IC 25-21.5-2-1).
- 37 (8) State board of funeral and cemetery service (IC 25-15-9).
- 38 (9) State board of registration for professional engineers
- 39 (IC 25-31-1-3).
- 40 (10) Indiana plumbing commission (IC 25-28.5-1-3).
- 41 (11) Indiana real estate commission (IC 25-34.1-2-1).
- 42 (12) Real estate appraiser licensure certification board



(IC 25-34.1-8).

(13) Private detectives licensing board (IC 25-30-1-5.1).

(14) Manufactured home installer licensing board (IC 25-23.7).

(15) Indiana home inspectors licensing board (IC 25-20.2-3-1).

SECTION 7. IC 25-20.2 IS ADDED TO THE INDIANA CODE AS
A NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,
2003]:

ARTICLE 20.2. HOME INSPECTIONS

Chapter 1. Application of Article

**Sec. 1. (a) This article applies to an individual who conducts
home inspections for compensation.**

(b) This article does not apply to the following:

**(1) An individual who is acting within the scope of the
individual's employment as a code enforcement official for the
state or a political subdivision of the state.**

(2) An individual who is:

(A) either:

(i) registered as an architect under IC 25-4;

(ii) registered as a professional engineer under IC 25-31;

or

**(iii) licensed as a plumbing contractor or journeyman
plumber under IC 25-28.5; and**

**(B) acting within the scope of the individual's registration
or license.**

**(3) An individual who is licensed under IC 25-34.1 as a real
estate broker, broker-salesperson, or salesperson and is acting
within the scope of the individual's license.**

**(4) An individual who is licensed or certified under IC 25-34.1
as a real estate appraiser and is acting within the scope of the
individual's license or certificate.**

**(5) An individual who holds a certificate of authority under
IC 27-1-27-2 as a public adjuster and is acting within the
scope of the individual's certificate.**

(6) An individual who holds a permit, certificate, or license to:

(A) use and apply pesticides; or

**(B) make diagnostic inspections and reports for wood
destroying pests;**

**under IC 15-3-3.6 and is acting within the scope of the
individual's certificate or license.**

**(7) An individual who holds a license from a political
subdivision as a tradesperson or home builder and is acting
within the scope of the individual's license.**



Chapter 2. Definitions

Sec. 1. The definitions in this chapter apply throughout this article.

Sec. 2. "Agency" refers to the Indiana professional licensing agency established by IC 25-1-6-3.

Sec. 3. "Applicant" means an individual who applies for a license as a home inspector or an associate home inspector.

Sec. 4. "Board" refers to the home inspectors licensing board established by IC 25-20.2-3-1.

Sec. 5. "Client" means an individual who hires or seeks to hire a licensed home inspector or licensed associate home inspector to obtain a home inspection or home inspection report.

Sec. 6. "Home inspection" means a visual analysis for the purpose of providing a professional opinion of the condition of a residential dwelling and the dwelling's carports or garages, any reasonably accessible installed components, and the operation of the dwelling's systems, including any controls normally operated by the owner of the dwelling, for the following components:

- (1) Heating systems.
- (2) Cooling systems.
- (3) Electrical systems.
- (4) Plumbing systems.
- (5) Structural components.
- (6) Foundations.
- (7) Roof coverings.
- (8) Exterior and interior components.
- (9) Any other site aspects that affect the residential dwelling.

The term does not include a code compliance inspection.

Sec. 7. "Home inspection report" means a legibly written report prepared for compensation and issued after a home inspection. The report must include the following:

- (1) A report on any system or component inspected that, in the professional opinion of the inspector, is significantly deficient or near the end of the system or component's service life. A report under this subdivision must include the reason why the system or component is significantly deficient or near the end of the system or component's service life, unless the reason is self-evident.
- (2) The inspector's recommendation on how to remedy or monitor a deficiency reported under subdivision (1).
- (3) A list of any systems or components that were designated for inspection in the standards of performance adopted by the



C
o
p
y

board but that were not inspected.

(4) The reason a system or component listed under subdivision (3) was not inspected.

Sec. 8. "Licensed associate home inspector" means an individual who is licensed under this article as an associate home inspector.

Sec. 9. "Licensed home inspector" means an individual who is licensed under this article as a home inspector.

Sec. 10. "Licensee" means a person who performs home inspections and who is licensed under this article as a home inspector or an associate home inspector.

Sec. 11. "Residential dwelling" means a structure consisting of at least one (1) but not more than five (5) units, each designed for occupancy by a single family, whether the units are occupied or unoccupied.

Sec. 12. "Supervising inspector" means a board approved licensed home inspector who supervises one (1) or more associate home inspectors in connection with the requirements of IC 25-20.2-5-3(b).

Chapter 3. Home Inspectors Licensing Board

Sec. 1. The home inspectors licensing board is established.

Sec. 2. (a) The board is composed of seven (7) members appointed by the governor as follows:

(1) Four (4) members, each of whom:

(A) is licensed in Indiana as a home inspector;

(B) is recommended by the Indiana chapter of the American Society of Home Inspectors; and

(C) has been actively engaged in performing home inspections in Indiana for at least five (5) years immediately before the member's appointment to the board.

(2) One (1) member who:

(A) is a home builder;

(B) is recommended by the Indiana Builders Association; and

(C) has been actively engaged in home building in Indiana for at least five (5) years immediately before the member's appointment to the board.

(3) One (1) member who:

(A) is a licensed real estate salesperson under IC 25-34.1-3-3.1 or a licensed real estate broker under IC 25-34.1-3-4.1;

(B) is recommended by the Indiana Association of



1 Realtors, Inc.; and

2 (C) has been actively engaged in selling, trading,
3 exchanging, optioning, leasing, renting, managing, listing,
4 or appraising residential real estate in Indiana for at least
5 five (5) years immediately before the member's
6 appointment to the board.

7 (4) One (1) member who represents the public at large and is
8 not associated with the home inspection, home building, or
9 real estate business other than as a consumer.

10 (b) The members of the board must be residents of Indiana.

11 Sec. 3. (a) Each member of the board serves a term of three (3)
12 years and until a successor is appointed and qualified.

13 (b) The governor may remove a board member at any time for
14 incompetency, neglect of duty, or unprofessional conduct.

15 (c) If a vacancy occurs in the membership of the board, the
16 governor shall appoint an individual recommended by the
17 appropriate agency under section 2 of this chapter to serve for the
18 remainder of the unexpired term.

19 (d) A member may not serve on the board for more than six (6)
20 consecutive years.

21 Sec. 4. (a) Each year the board shall elect a member as
22 chairperson and a member as vice chairperson.

23 (b) The chairperson and the vice chairperson shall serve in their
24 respective capacities for one (1) year and until a successor is
25 elected.

26 (c) The chairperson and the vice chairperson may not serve in
27 those capacities for more than two (2) consecutive years.

28 Sec. 5. (a) The chairperson shall preside at all meetings at which
29 the chairperson is present. The vice chairperson shall preside at
30 meetings in the absence of the chairperson and shall perform other
31 duties as the chairperson directs.

32 (b) If the chairperson and vice chairperson are absent from a
33 meeting of the board when a quorum exists, the members who are
34 present may elect a presiding officer who shall serve as acting
35 chairperson until the conclusion of the meeting or until the arrival
36 of the chairperson or vice chairperson.

37 Sec. 6. (a) The board shall meet at least two (2) times each
38 calendar year upon the call of the chairperson or the written
39 request of a majority of the members of the board.

40 (b) The chairperson shall establish the time and place for each
41 meeting.

42 (c) A majority of the current members of the board constitutes

C
o
p
y



1 a quorum.

2 (d) Unless otherwise provided by this article, the affirmative
3 vote of a majority of the members appointed to the board is
4 necessary for the board to take official action.

5 Sec. 7. Each member of the board is entitled to the minimum
6 salary per diem as provided by IC 4-10-11-2.1(b). Each member of
7 the board is entitled to reimbursement for traveling expenses and
8 other expenses actually incurred in connection with the member's
9 duties as provided in the state policies and procedures established
10 by the Indiana department of administration and approved by the
11 budget agency.

12 Sec. 8. The board shall:

- 13 (1) administer and enforce this article;
- 14 (2) adopt rules under IC 4-22-2 that are reasonably necessary
15 or appropriate for the administration and enforcement of this
16 article;
- 17 (3) prescribe the requirements for and the form of licenses,
18 applications, and other documents that are required by this
19 article;
- 20 (4) issue, deny, suspend, and revoke licenses in accordance
21 with this article;
- 22 (5) in accordance with IC 25-1-7, investigate complaints
23 concerning licensees or persons the board has reason to
24 believe should be licensees, including complaints concerning
25 failure to comply with this article or rules adopted under this
26 article, and, when appropriate, take action under
27 IC 25-20.2-8;
- 28 (6) bring actions in the name of the state in an appropriate
29 circuit court in order to enforce compliance with this article
30 or rules adopted under this article;
- 31 (7) establish fees in accordance with IC 25-1-8;
- 32 (8) inspect the records of a licensee in accordance with rules
33 adopted by the board;
- 34 (9) conduct or designate a member or other representative to
35 conduct public hearings on any matter for which a hearing is
36 required under this article and exercise all powers granted
37 under IC 4-21.5;
- 38 (10) adopt a seal containing the words "Indiana Home
39 Inspectors Licensing Board" and, through the board's
40 executive director, certify copies and authenticate all acts of
41 the board;
- 42 (11) in accordance with IC 25-1-6:



C
o
p
y

- 1 (A) use counsel, consultants, and other persons;
- 2 (B) enter into contracts; and
- 3 (C) authorize expenditures;
- 4 that are reasonably necessary or appropriate to administer
- 5 and enforce this article and rules adopted under this article;
- 6 (12) establish continuing education requirements for licensed
- 7 home inspectors in accordance with IC 25-1-4;
- 8 (13) maintain the board's office, files, records, and property
- 9 in the city of Indianapolis; and
- 10 (14) exercise all other powers specifically conferred on the
- 11 board by this article.

12 **Sec. 9. The board shall adopt rules under IC 4-22-2 establishing:**

- 13 (1) standards for the competent performance of home
- 14 inspections;
- 15 (2) a code of ethics for licensed home inspectors and licensed
- 16 associate home inspectors;
- 17 (3) standards for home inspection reports prepared by
- 18 licensed home inspectors and licensed associate home
- 19 inspectors; and
- 20 (4) standards for licensed home inspectors who serve as
- 21 supervising inspectors under IC 25-20.2-5-3(b).

22 **Chapter 4. Licensing Agency; Board Secretary**

23 **Sec. 1. The agency shall provide the board with a competent**
 24 **person to serve as secretary of the board. The secretary is not a**
 25 **member of the board. The secretary, through the agency, shall:**

- 26 (1) provide reasonable notice to board members of the time
- 27 and place of each meeting;
- 28 (2) keep a complete and accurate record of all:
- 29 (A) meetings;
- 30 (B) votes taken by the board; and
- 31 (C) other proceedings, transactions, communications,
- 32 official acts, and records of the board;
- 33 (3) keep a current file of all licenses and licensees; and
- 34 (4) perform any other duties assigned by the board.

35 **Sec. 2. The agency shall provide the board with clerical or other**
 36 **assistants, including investigators, necessary for the proper**
 37 **performance of the board's duties.**

38 **Sec. 3. The secretary shall receive and account for all money**
 39 **collected under this article and, at the end of each month, report to**
 40 **the auditor of state and deposit the money into the state general**
 41 **fund with the treasurer of state.**

42 **Sec. 4. All expenses incurred in the administration of this article**



1 shall be paid from the state general fund.

2 **Chapter 5. Licensing Requirements**

3 **Sec. 1. Unless exempt under this article, a person may not**
 4 **conduct a home inspection for compensation without first**
 5 **obtaining a license as a home inspector or an associate home**
 6 **inspector.**

7 **Sec. 2. (a) An individual who applies for a license as a home**
 8 **inspector must do the following:**

9 **(1) Furnish evidence satisfactory to the board showing that**
 10 **the individual:**

11 **(A) is at least eighteen (18) years of age;**

12 **(B) has graduated from high school or earned an Indiana**
 13 **general educational development (GED) diploma;**

14 **(C) has not been:**

15 **(i) convicted of an act that would constitute a ground for**
 16 **disciplinary sanction under IC 25-1-11;**

17 **(ii) convicted of a crime that has a direct bearing on the**
 18 **individual's ability to perform competently and fully as**
 19 **a licensee;**

20 **(iii) listed on a national or state registry of sex offenders;**
 21 **or**

22 **(iv) the subject of a disciplinary or enforcement action**
 23 **by another state or a local jurisdiction in connection with**
 24 **the performance of home inspections or the licensing or**
 25 **certification of home inspectors;**

26 **(D) has performed at least two hundred fifty (250) home**
 27 **inspections under the direction of a supervising inspector**
 28 **and in compliance with the home inspection standards**
 29 **established by the board; and**

30 **(E) has been licensed as an associate home inspector for at**
 31 **least one (1) year.**

32 **(2) Verify the information submitted on the application form.**

33 **(3) Pass the national home inspector examination offered by**
 34 **the examination board of professional home inspectors or by**
 35 **another entity approved by the examination board of**
 36 **professional home inspectors. Passage of an examination**
 37 **before, on, or after July 1, 2003, satisfies this subdivision.**

38 **(4) Submit to the board a certificate of insurance or other**
 39 **evidence of financial responsibility that is acceptable to the**
 40 **board and that:**

41 **(A) is issued by an insurance company or other legal entity**
 42 **authorized to transact business in Indiana;**

C
o
p
y



(B) provides for general liability coverage of at least one hundred thousand dollars (\$100,000);

(C) lists the state as an additional insured;

(D) states that cancellation and nonrenewal of the underlying policy or other evidence of financial responsibility is not effective until the board receives at least ten (10) days prior written notice of the cancellation or nonrenewal; and

(E) contains any other terms and conditions established by the board.

(5) Pay a licensing fee established by the board.

(b) An individual applying for a license as a home inspector must apply on a form prescribed and provided by the board.

Sec. 3. (a) An individual who applies for a license as an associate home inspector must do the following:

(1) Furnish evidence satisfactory to the board showing that the individual:

(A) meets the requirements set forth in section 2(a)(1) of this chapter for licensing as a home inspector, except for the work experience requirement of section 2(a)(1)(D) and 2(a)(1)(E) of this chapter;

(B) is associated with a supervising inspector for the purposes of subsection (b); and

(C) has successfully completed a board approved training program or course of study involving the performance of home inspections and the preparation of home inspection reports and passed an exit examination.

(2) Apply on a form prescribed and provided by the board.

(b) In performing the home inspections that must be performed under section 2(a)(1)(D) of this chapter to qualify for licensing as a home inspector, a licensed associate home inspector must comply with the following conditions:

(1) Perform, at intervals determined by the board, at least ten (10) home inspections under the guidance of a supervising inspector, who shall provide comments and guidance to ensure that the licensed associate home inspector complies with the standards of performance, code of ethics, and report writing standards established by the board.

(2) In conjunction with the associate inspector's supervising inspector, maintain separate logs of all supervised home inspections. The log must contain at least the following information:

C
o
p
y



- 1 (A) The client's name and address.
- 2 (B) The address of the inspected property.
- 3 (C) The date of the inspection.
- 4 (D) The date the written report was reviewed by the
- 5 supervising inspector.
- 6 (E) Any appropriate comments.
- 7 (3) Prepare at least two hundred forty (240) additional home
- 8 inspection reports for review by a supervising inspector, who
- 9 shall provide comments and guidance to ensure that the
- 10 licensed associate home inspector complies with the standards
- 11 of performance, code of ethics, and report writing standards
- 12 established by the board.
- 13 (4) Successfully complete all additional and appropriate
- 14 training established, with board approval, by the associate
- 15 inspector's supervising inspector to advance the skills of the
- 16 licensed associate home inspector.
- 17 (5) Pay any fees charged by the supervising inspector for
- 18 serving as a supervising inspector.
- 19 Sec. 4. (a) The other licensing requirements of this chapter may
- 20 be waived for an individual moving to Indiana from another
- 21 jurisdiction and the individual may be granted a license as a home
- 22 inspector if the individual meets the following requirements:
- 23 (1) The other jurisdiction grants the same privileges to
- 24 licensees of Indiana as Indiana grants to licensees of that
- 25 other jurisdiction.
- 26 (2) The individual is licensed in the other jurisdiction.
- 27 (3) The licensing requirements of the other jurisdiction are
- 28 substantially similar to the requirements of this article.
- 29 (4) The individual states that the individual has studied, is
- 30 familiar with, and will abide by this article and the rules
- 31 adopted by the board under this article.
- 32 (b) An individual seeking a license as a home inspector under
- 33 this section must:
- 34 (1) apply on a form prescribed and provided by the board;
- 35 and
- 36 (2) pay the applicable licensing fee established by the board.
- 37 Sec. 5. (a) A nonresident whom the board determines meets the
- 38 requirements of this article and who files the written consent
- 39 described in subsection (b) may be licensed as a home inspector or
- 40 an associate home inspector in Indiana.
- 41 (b) A nonresident applicant shall file with the board a written
- 42 consent stating that, if licensed:

C
o
p
y



(1) the applicant agrees to the commencement of any action arising out of the conduct of the applicant's business in Indiana in the county in which the events giving rise to the cause of action occurred;

(2) the applicant:

(A) agrees to provide to the board the name and address of an agent to receive service of process in Indiana; or

(B) consents to the board acting as the applicant's agent for the purpose of receiving service of process, if:

(i) an agent's name and address have not been filed with the board; or

(ii) the agent's name and address on file with the board are incorrect; and

(3) the applicant agrees that service of process in accordance with the Indiana Rules of Trial Procedure is proper service and subjects the applicant to the jurisdiction of Indiana courts.

Sec. 6. All licenses issued by the board remain the property of the board.

Sec. 7. A licensee shall notify the board immediately of any change of:

(1) name;

(2) name under which the licensee conducts business; or

(3) business address.

Chapter 6. License Renewal

Sec. 1. A license for a home inspector issued under this article expires two (2) years after the date of issuance.

Sec. 2. Notwithstanding IC 25-1-2-2.1, a license for an associate home inspector issued under this article expires one (1) year after the date of issuance.

Sec. 3. An individual who applies to renew a license as a licensed home inspector or a licensed associate home inspector must:

(1) furnish evidence showing successful completion of the continuing education requirements of this chapter; and

(2) pay the renewal fee established by the board.

Sec. 4. (a) Renewal notices must be sent in accordance with IC 25-1-2-6(c).

(b) The renewal fee must be paid in accordance with IC 25-1-8-2(d).

Sec. 5. Before the end of each license period, each licensee must complete the continuing education required by the board. This requirement may not exceed twenty (20) hours per year.



C
o
p
y

1 **Sec. 6. (a) The board shall adopt rules concerning the continuing**
 2 **education required for the renewal of a license under this chapter.**

3 **(b) The rules must do the following:**

4 **(1) Establish procedures for approving organizations that**
 5 **provide continuing education.**

6 **(2) Establish a fee for each hour of continuing education that**
 7 **is required after a license is issued or renewed.**

8 **(3) Prescribe the content, duration, and organization of**
 9 **continuing education courses that contribute to the general**
 10 **competence of home inspectors.**

11 **Sec. 7. An individual may not hold an associate home inspector**
 12 **license for more than five (5) years. If, after holding an associate**
 13 **home inspector license for five (5) years, a licensed associate home**
 14 **inspector has not met all the requirements to become a licensed**
 15 **home inspector, the individual's associate home inspector's license**
 16 **expires and may not be further renewed. A person whose associate**
 17 **home inspector license has expired under this section may reapply**
 18 **for a new associate home inspector's license under this article.**

19 **Chapter 7. Authority of Other Jurisdictions to License Home**
 20 **Inspectors**

21 **Sec. 1. As used in this chapter, "political subdivision" has the**
 22 **meaning set forth in IC 36-1-2-13.**

23 **Sec. 2. An agency or political subdivision of the state (other than**
 24 **the board) may not:**

25 **(1) impose a registration or licensing requirement; or**

26 **(2) charge a license, employment, or other fee;**

27 **on individuals licensed under this article for activities defined in**
 28 **this article.**

29 **Chapter 8. Disciplinary Proceedings; Enforcement**

30 **Sec. 1. The board may take disciplinary actions against or**
 31 **impose sanctions on a licensee under IC 25-1-11 for any of the**
 32 **following:**

33 **(1) Disclosing information concerning the results of a home**
 34 **inspection without the approval of a client or the client's legal**
 35 **representative, except under a court order.**

36 **(2) Accepting compensation for the same service from more**
 37 **than one (1) party without the consent of all interested parties.**

38 **(3) Accepting commissions or allowances, directly or**
 39 **indirectly, from other parties dealing with the licensee's client**
 40 **in connection with any work for which the licensee is**
 41 **responsible.**

42 **(4) Failing to disclose to a client information about a business**



C
o
p
y

1 interest of the licensee that may affect the client in connection
2 with any work for which the licensee is responsible.

3 (5) Knowingly making a false or misleading representation
4 about:

5 (A) the condition of a residential dwelling for which the
6 licensee has performed or has contracted to perform a
7 home inspection; or

8 (B) the extent of the services the licensee has performed or
9 will perform.

10 (6) Committing a felony in the course of the practice of home
11 inspection or committing any act constituting a violation of
12 IC 25-20.2-5-2(a)(1)(C).

13 (7) Violating any provisions of this article or rules adopted by
14 the board under this article.

15 (8) Making a false or misleading representation:

16 (A) in a license or renewal application form; or

17 (B) in information provided to the board.

18 (9) Failing to pay any fees or fines required by this article.

19 (10) Failing to continuously maintain the insurance or other
20 evidence of financial responsibility required by this article.

21 (11) Communicating to the public false or misleading
22 information about the type of license held by the licensee.

23 (12) Engaging in a course of lewd or immoral conduct in
24 connection with the delivery of services to clients.

25 (13) Failing to complete the continuing education
26 requirements established by the board.

27 Sec. 2. The procedures set forth in IC 4-21.5 govern the board's
28 conduct of disciplinary hearings.

29 Sec. 3. The board may summarily suspend a license for up to
30 ninety (90) days before a final adjudication or during an appeal of
31 the board's determination if the board finds that the licensee would
32 represent a clear and immediate danger to the public's health,
33 safety, or property if allowed to perform home inspections. The
34 summary suspension may be renewed upon a hearing before the
35 board for up to ninety (90) days.

36 Sec. 4. (a) If the board determines that an individual not
37 licensed under this article is engaged in or believed to be engaged
38 in activities for which a license is required under this article, the
39 board may issue an order to that individual requiring the
40 individual to show cause why the individual should not be ordered
41 to cease and desist from such activities. The show cause order must
42 set forth a time and place for a hearing at which the affected

C
o
p
y



individual may appear and show cause why the individual should not be subject to licensing under this article.

(b) If the board, after a hearing, determines that the activities in which the individual is engaged are subject to licensing under this article, the board may issue a cease and desist order that identifies the individual and describes activities that are the subjects of the order.

(c) A cease and desist order issued under this section is enforceable in circuit courts.

Sec. 5. (a) An individual who:

- (1) performs or offers to perform home inspections without being licensed as a home inspector or an associate home inspector and without being exempt from licensing under law;
- (2) presents as the individual's own the license of another;
- (3) intentionally gives false or materially misleading information to the board or to a board member in connection with licensing matters;
- (4) impersonates another licensee;
- (5) uses an expired, suspended, revoked, or otherwise restricted license; or
- (6) otherwise violates this article;

commits a Class B infraction.

(b) When entering a judgment for an infraction under this section, the court shall add to any penalty imposed the amount of any fee or other compensation earned by the individual in the commission of the infraction.

(c) Each transaction involving activities defined by this article constitutes a separate violation of this section.

Sec. 6. In all actions for the collection of a fee or other compensation for performing home inspections, the party seeking relief must allege and prove that, at the time the cause of action arose, the party seeking relief was not in violation of section 5 of this chapter.

Sec. 7. An individual who applies for a license or a licensee who is aggrieved by an order or determination of the board is entitled to a judicial review under IC 4-21.5.

Sec. 8. The attorney general shall act as the legal adviser for the board and provide any legal assistance necessary to carry out this article.

Chapter 9. Liability and Immunity From Liability

Sec. 1. (a) An action for damages, whether brought in contract or tort or on any other basis, based upon professional services that

C
o
p
y



were rendered or that should have been rendered by a licensed home inspector or a licensed associate home inspector, may not be brought, commenced, or maintained unless the action is filed not more than two (2) years after the date of the alleged act or omission.

(b) A licensed home inspector or a licensed associate home inspector is not liable to a person for damages that arise from an act or omission relating to a home inspection if the person is not a party to the contract under which the home inspection is conducted.

(c) A person who:

(1) is a professional licensed in Indiana;

(2) acts within the scope of the person's profession; and

(3) is not a licensed home inspector or a licensed associate home inspector;

is not liable for the findings, errors, or omissions of a home inspection unless the person has fraudulently provided or concealed information that induced a licensed home inspector's or a licensed associate home inspector's finding, error, or omission that is the basis of the claim.

(d) A person who in good faith recommends or endorses a licensed home inspector or a licensed associate home inspector without compensation, remuneration, rebate, or other form of consideration is not liable for the actions of the licensed home inspector or licensed associate home inspector, including errors, omissions, the failure to perform contracted duties of a home inspection, or the failure to meet the standards of performance, report writing standards, or code of ethics established by the board.

Sec. 2. A licensed home inspector who acts as a supervising inspector of:

(1) a licensed associate home inspector under IC 25-20.2-5-3(b); or

(2) a licensed home inspector or licensed associate home inspector placed on probation after a disciplinary proceeding under IC 25-20.2-8-1;

and who does not charge a fee for acting as a supervising inspector is not liable to any person for damages that arise from an act or omission relating to a home inspection that the licensed home inspector supervised.

SECTION 8. IC 34-30-2-98.8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS



[EFFECTIVE JULY 1, 2003]: Sec. 98.8. IC 25-20.2-9-1 and IC 25-20.2-9-2 (Concerning actions of home inspectors and associate home inspectors).

SECTION 9. [EFFECTIVE JULY 1, 2003] (a) As used in this SECTION, "board" refers to the home inspectors licensing board established by IC 25-20.2-3-1, as added by this act.

(b) An individual who performs home inspections after June 30, 2003, does not violate IC 25-20.2-5-1 or IC 25-20.2-8-5(a)(1), both as added by this act, and may not be disciplined or sanctioned for failure to have a home inspector's or an associate home inspector's license if the person obtains a home inspector's or an associate home inspector's license not later than July 1, 2005.

(c) Notwithstanding the requirements of IC 25-20.2-5-2, as added by this act, before July 1, 2005, the board may issue to an individual, upon the individual's application and payment of fees, a home inspector license, if the individual:

(1) meets the requirements of IC 25-20.2-5-2(a), as added by this act, excluding IC 25-20.2-5-2(a)(1)(D), IC 25-20.2-5-2(a)(1)(E), and IC 25-20.2-5-2(a)(3);

(2) has been engaged in the practice of home inspections for at least six (6) months; and

(3) has performed at least two hundred fifty (250) home inspections in Indiana.

(d) The board may consider and accept the successful completion of equivalent licensing requirements in another state instead of one (1) or more of the requirements of IC 25-20.2-5-2(a), as added by this act.

(e) This SECTION expires January 1, 2006.

SECTION 10. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "board" refers to the home inspectors licensing board established by IC 25-20.2-3-1, as added by this act.

(b) Before July 1, 2004, the governor shall make the initial appointments to the board. In making each initial appointment, the governor shall indicate the length of the term for which the individual is appointed.

(c) The initial terms of office for the seven (7) individuals appointed to the board by the governor are as follows:

(1) Three (3) members for a term of three (3) years;

(2) Two (2) members for a term of two (2) years; and

(3) Two (2) members for a term of one (1) year.

(d) The initial terms begin July 1, 2004.

(e) An individual who does not meet all of the requirements of



1 IC 25-20.2-5-2(a)(1), as added by this act, may be appointed to the
 2 board under IC 25-20.2-3-2(a)(1), as added by this act, if the
 3 individual:

4 (1) meets the requirements of IC 25-20.2-5-2(a)(1)(A) through
 5 IC 25-20.2-5-2(a)(1)(C), as added by this act;

6 (2) has been performing home inspections for at least six (6)
 7 months immediately before the person's appointment;

8 (3) has performed at least two hundred fifty (250) home
 9 inspections in Indiana; and

10 (4) intends to obtain a license in accordance with
 11 IC 25-20.2-5-2, as added by this act, not later than July 1,
 12 2005.

13 (f) A board member appointed in accordance with subsection (e)
 14 who does not obtain the requisite license in accordance with
 15 IC 25-20.2-5-2, as added by this act, on or before July 1, 2005, shall
 16 be considered to have resigned from the board on July 1, 2005, and
 17 the governor shall fill the vacancy in accordance with
 18 IC 25-20.2-3-3(c), as added by this act.

19 (g) Not later than January 1, 2005, the board shall adopt rules
 20 under IC 4-22-2 to carry out this act.

21 (h) This SECTION expires June 30, 2007.

22 SECTION 11. An emergency is declared for this act.

C
o
p
y



COMMITTEE REPORT

Mr. Speaker: Your Committee on Commerce and Economic Development, to which was referred House Bill 1515, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 8, delete lines 17 through 21, begin a new line double block indented and insert:

"(A) either:

(i) registered as an architect under IC 25-4;

(ii) registered as a professional engineer under IC 25-31;

or

(iii) licensed as a plumbing contractor or journeyman plumber under IC 25-28.5; and

(B) acting within the scope of the individual's registration or license."

Page 9, delete lines 10 through 19, begin a new paragraph and insert:

"Sec. 6. "Home inspection" means a visual analysis for the purpose of providing a professional opinion of the condition of a residential dwelling and the dwelling's carports or garages, any reasonably accessible installed components, and the operation of the dwelling's systems, including any controls normally operated by the owner of the dwelling, for the following components:

- (1) Heating systems.**
- (2) Cooling systems.**
- (3) Electrical systems.**
- (4) Plumbing systems.**
- (5) Structural components.**
- (6) Foundations.**
- (7) Roof coverings.**
- (8) Exterior and interior components.**
- (9) Any other site aspects that affect the residential dwelling."**

Page 9, line 21, after "a" insert **"legibly"**.

Page 9, delete line 22 and insert **"prepared for compensation and issued after a home inspection. The report must include the following:**

- (1) A report on any system or component inspected that, in the professional opinion of the inspector, is significantly deficient or near the end of the system or component's service life. A report under this subdivision must include the reason why the system or component is significantly deficient or near the end of the system or component's service life, unless the**



C
O
P
Y

reason is self-evident.

(2) The inspector's recommendation on how to remedy or monitor a deficiency reported under subdivision (1).

(3) A list of any systems or components that were designated for inspection in the standards of performance adopted by the board but that were not inspected.

(4) The reason a system or component listed under subdivision (3) was not inspected."

Page 14, delete lines 10 through 13, begin a new line block indented and insert:

"(3) Pass the national home inspector examination offered by the examination board of professional home inspectors or by another entity approved by the examination board of professional home inspectors. Passage of an examination before, on, or after July 1, 2003, satisfies this subdivision."

and when so amended that said bill do pass.

(Reference is to HB 1515 as introduced.)

STEVENSON, Chair

Committee Vote: yeas 12, nays 1.

C
o
p
y

